

SENATE BILL 971

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 2,  
Chapter 10 and Title 2, Chapter 13, relative to  
local political parties.

WHEREAS, it is important to assure that all contributions received and recorded by a local political party, in any county having a population greater than one hundred thousand, are expended for the work of the local political party in compliance with Tennessee Code Annotated, Section 2-10-102(4)(F); and

WHEREAS, the General Assembly finds that local political parties in counties having a population greater than one hundred thousand have a higher degree of accountability to the citizenry due to their greater ability to generate income from the sale of goods, from contributions, and from fundraising activities; and

WHEREAS, due to this higher duty, local political parties in counties having a population greater than one hundred thousand should be prohibited from accepting cash payments or cash contributions from any source; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 2, Chapter 13, is amended by adding Sections 2–6 of this act as a new part.

SECTION 2. This part shall be known and may be cited as the “Local Political Party Financial Management Act.”

SECTION 3.

For purposes of this part:

(1) "County" means any county having a population greater than one hundred thousand (100,000), according to the 2010 federal census or any subsequent federal census;

(2) "Local political party" and "party" mean a subdivision of a statewide political party that is chartered by the statewide political party to exist within the boundaries of a political subdivision of the state; and

(3) "Meeting" means a monthly meeting of the members of a local political party that is conducted by the party after public notice.

#### SECTION 4.

(a) Except as provided in subsection (b), no local political party in a county shall accept a cash payment or a cash contribution from any source.

(b) A local political party in a county may accept a cash payment for meals served at a meeting of the party; provided, that the cash payment does not exceed ten dollars (\$10.00) per person per meal.

#### SECTION 5.

(a) Upon receipt of a complaint, the registry of election finance is authorized to require any local political party in a county to report all receipts, disbursements, contributions, and expenditures of the party, including a disclosure of each bank account maintained by the party.

(b) Upon request, the local political party in a county shall disclose the information requested pursuant to subsection (a). The following actions constitute fraud in connection with the disclosure:

(1) Knowingly making a false statement, orally or in writing, in connection with the receipts, disbursements, contributions, and expenditures of the party;

(2) Intentionally withholding or suppressing information with respect to the receipts, disbursements, contributions, and expenditures of the party; or

(3) Altering, forging, or otherwise modifying, with fraudulent intent, any document submitted to the registry of election finance.

(c) A violation of this section is a Class A misdemeanor.

#### SECTION 6.

The registry of election finance may impose civil penalties pursuant to § 2-10-308 for any violation of Section 4 or Section 5 of this act.

SECTION 7. Tennessee Code Annotated, Section 2-10-205, is amended by adding the following language as a new subdivision:

(3) The Local Political Party Financial Management Act, compiled in Sections 2–6 of this act.

SECTION 8. Tennessee Code Annotated, Section 2-10-105, is amended by deleting subsection (i) in its entirety and substituting instead the following:

(i)

(1) Any state or local political party or caucus of such political party established by members of either house of the general assembly that controls or operates one (1) or more political campaign committees shall report all receipts and disbursements by the party in the same manner and at the same time that it reports contributions and expenditures by the party's political campaign committee.

(2) Any local political party in a county having a population greater than one hundred thousand (100,000), according to the 2010 federal census or any subsequent federal census, shall report all receipts and disbursements by the party.

SECTION 9. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that

can be given effect without the invalid provision or application, and to that end the provisions of this act shall be severable.

SECTION 10. This act shall take effect July 1, 2015, the public welfare requiring it.